

STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES
Land Division
Honolulu, Hawaii 96813

November 14, 2008

Board of Land and Natural Resources
State of Hawaii
Honolulu, Hawaii

PSF No: 05KD-190
KAUAI

Amend Prior Board Action of December 9, 2005 (D-3) and December 8, 2006 (D-2),
Set Aside to the County Of Kauai for Developing Affordable Housing Purposes,
Kekaha, Waimea, Kapaa, Anahola, Kauai, Tax Map Keys: (4) 1-2-2:32; 1-2-6:18; 4-
3-7:7, 8, 11; 4-6-14:30, 112; and 4-8-13:13.

BACKGROUND:

The Land Board at its December 9, 2005 meeting, under agenda Item D-3, approved to recommend to the Governor the issuance of a set aside to the County of Kauai for developing affordable housing purposes. Former Mayor Bryan J. Baptiste requested 8 State parcels. Project Mana'olana would involve County personnel, Kauai residents and private developers to determine Kauai's housing needs and create a master plan. Because there was nothing to analyze on the County's proposal, staff had conditioned the request on the County submitting documentation before the execution of the set aside document to support its request. Examples would be: County Council approval, funding commitment, development plans, construction plans, government permits and approvals, and construction contract. Furthermore, the Land Board approval would be rescinded after three (3) years in the event the County was unsuccessful.

Later the Land Board at its December 8, 2006 meeting, under agenda Item D-2, the Land Board amended its December 9, 2005 approval by deleting tax map keys: (4) 1-2-6:18 and 4-8-13:13. The County determined these two (2) State parcels were not suitable for the development of affordable housing.

REMARKS:

Mr. Kenneth N. Rainforth, Housing Director for Kauai County Housing Agency by letter dated June 17, 2008, is requesting the Land Board grant a five (5) year extension. (Exhibit A) Mr. Rainforth cites progress made by the County of Kauai:

1. Memorandum of Understanding (MOU) between the County of Kauai and Office of Hawaiian Affairs was signed November 13, 2007.
2. Department of Water commitment to complete water system improvements for Kekaha and Kapaa parcels by December 2008.

3. Housing Agency willingness to coordinate development of affordable housing around bike and pedestrian path improvements proposed through portions of tmk: 4-6-14:30, in conjunction with State Department of Transportation's Bike Plan Hawaii and the County Parks Department.
4. Kauai County Council approved bond funding to contract with consultants to conduct due diligence and project feasibility for the potential affordable housing sites.
5. On May 30, 2008 published a notice for professional services for the fiscal year of 2008/2009. The Notice for Professional Services includes an experienced consultant to perform site feasibility on 5 state parcels in Kekaha and Kapaa.

The County is making measurable progress in addressing the major impediments to the development of the State parcels. More time is needed to secure water system improvements and to complete other pre-development tasks.

Three State parcels were incorrectly identified and need to be corrected. Tax map keys: (4) 4-3-7:7, 8, and 11. The correct parcels should be tax map keys: (4) 4-3-3:7, 8, and 11.

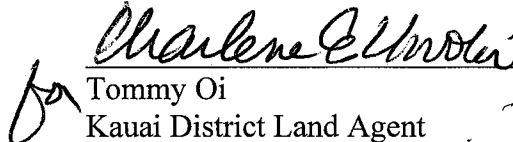
RECOMMENDATION: That the Board:

1. Amend its prior Board action of December 9, 2005 (D-3) by amending Recommendation 2 to read as follows:

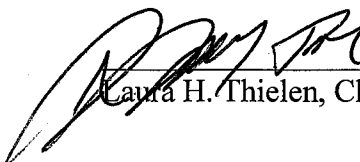
If Applicant Requirements are not met ~~within 3 years~~, [by December 31, 2013] this approval will automatically be rescinded.

2. Replace tax map keys: (4) 4-3-7:7, 8, and 11 with (4) 4-3-3:7, 8, and 11.
3. All terms and conditions listed in its December 9, 2005 and December 8, 2006 approval to remain the same.

Respectfully Submitted,


Tommy Oi
Kauai District Land Agent

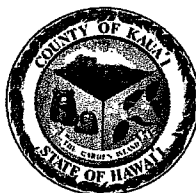
APPROVED FOR SUBMITTAL:


Laura H. Thielen, Chairperson



Bryan J. Baptiste
Mayor

Gary K. Heu
Administrative Assistant



KAUAI COUNTY HOUSING AGENCY
Pi'ikoi Building 4444 Rice Street Suite 330
Lihue Hawaii 96766

Kenneth N. Rainforth
Housing Director

Gary A. Mackler
Development Coordinator

June 17, 2008

Mr. Tommy Oi, District Land Agent
State of Hawai'i
Department of Land and Natural Resources
Land Division
3060 'Eiwa Street
Lihue, Kaua'i, Hawai'i 96766

SUBJECT: Request for Extension to Set Aside to County of Kaua'i for Developing Affordable Housing Purposes, Kekaha and Kapa'a, Kaua'i, Tax Map Keys: (4) 1-2-02:32, 4-3-03:7 & 8, and 4-6-14: 30 and 112

Dear Mr. Oi,

The following report is provided to summarize progress made by the County of Kaua'i in developing various land parcels made available by the Board of Land and Natural Resources ("BLNR") at its meeting held on December 9, 2005. The subject parcels are identified by Tax Map Keys (4) 1-2-02:32, 1-2-06:18, 4-3-03:7, 8, & 11 (please note corrected plat number), 4-6-14:30 and 112, and 4-8-13:13. Of these, land parcels identified by Tax Map Keys (4) 1-2-06:18, 4-3-03:11, and 4-8-13:13 were determined infeasible for development.

The following information provides a current status of various tasks related to the development of state land parcels made available by BLNR:

USE OF CEDED LANDS

Prior to the transfer of ceded lands, it was necessary to consult with the Office of Hawaiian Affairs ("OHA") to recognize OHA's interests and to work out terms of agreement to ensure that at least 20 percent of all affordable housing on ceded lands would be set-aside for people of Hawaiian ancestry. This back and forth discussion over an 18 months period resulted in a negotiated agreement between the County and OHA with terms memorialized in a Memorandum of Understanding dated November 13, 2007 (Exhibit "A"). We understand the Memorandum of Understanding with OHA may be the first of its kind in the State of Hawai'i.



WATER SYSTEM IMPROVEMENTS

On August 1, 2006, the Honorable Mayor Bryan J. Baptiste testified before the Board of Water Supply asking for an accelerated schedule in design and construction of necessary water system improvements for development of affordable housing on state lands in Kekaha and Kapa'a. See letter from Wynne M. Ushigome, Acting Manager & Chief Engineer of the Department of Water dated September 12, 2006 (Exhibit "B"), which confirms the Board of Water Supply's directive to the Department to move ahead and complete water system improvements for Kekaha and Kapa'a parcels, by December 2008. Also provided is a letter from the Department of Water, dated May 2, 2008 (Exhibit "C"), which summarizes the progress made to date.

COORDINATION WITH OTHER AGENCIES

The Housing Agency has coordinated with other County and State Agencies in projecting other improvements relative to the set aside state lands. In addition to water system upgrades, improvements such as roadway, wastewater, bike paths, and transportation service have been discussed. The Housing Agency is aware of and willing to coordinate development of affordable housing around bike and pedestrian path improvements proposed through portions of TMK 4-6-14:30, in conjunction with DOT's Bike Plan Hawai'i and the County Parks Department.

FUNDING FOR FEASIBILITY

On April 9, 2008, the Kaua'i County Council approved a communication from KCHA (Exhibit "D") to utilize a portion of available bond funding to contract with consultants to conduct due diligence and project feasibility for potential affordable housing sites, including state lands in Kekaha and Kapa'a. Also provided are partial minutes from Council's April 9, 2008 meeting (Exhibit "E") confirming Council's support to use bond funds on feasibility for sites acquired by or transferred to the County for affordable housing.

CONSULTANT SELECTION

On May 30, 2008, the County published a Notice for Professional Services inviting persons engaged in professional services to submit qualifications and expressions of interest for fiscal year 2008-2009. The Notice for Professional Services (Exhibit "F") includes a request by KCHA for an experienced consultant to perform site feasibility on five (5) state owned parcels in Kekaha and Kapa'a. Response to the Notice is due by June 23, 2008. Reference materials (Exhibit "G") include our scope of services and time frame for completion of site feasibility for state lands.

Based on the foregoing status report, the County is making measurable progress in addressing the major impediments to development of the identified state lands, which we believe

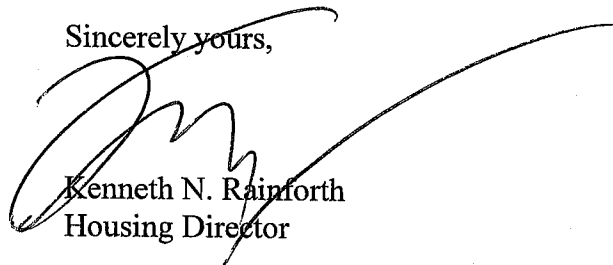
Mr. Tommy Oi
June 17, 2008
Page 3

hold potential for affordable housing development. In moving forward, we also recognize that more time is needed to secure water system improvements for state lands, and to complete other numerous pre-development tasks. KCHA intends to fully examine development potential and is prepared to commit staff and funding to conduct feasibility and prioritize sites for affordable housing development. Based on the results of this feasibility, KCHA expects to proceed with DLNR requirements for those sites deemed most feasible for development.

In closing, KCHA hereby requests that BLNR grant a five year extension in meeting BLNR's set aside requirements for the remaining state lands to complete the conditions as stated in Item D-3, No. 2 of the recommendation. We truly appreciate your assistance and consideration in this matter.

If you have any questions, or require additional information at this time, please do not hesitate to reach me at 241-4430.

Sincerely yours,

A large, stylized handwritten signature in black ink, likely belonging to Kenneth N. Rainforth, is written over the typed name and title.

Kenneth N. Rainforth
Housing Director

GM:gm

Enclosures (7)

cc: Mayor, County Council, Office of Hawaiian Affairs, Parks Department

EXHIBIT "A"

MEMORANDUM OF UNDERSTANDING



07-934

OFFICE OF HAWAIIAN AFFAIRS

RECEIVED

'07 NOV 29 PM 4:48

November 28, 2007

OFFICE OF
THE COUNTY ATTORNEY
COUNTY OF KAUAI

Office of The County Attorney
County of Kaua'i, State of Hawai'i
Attn: Joy Goto
Mo'ikeha Building
4444 Rice Street, Suite 220
Lihu'e, Kaua'i, Hawai'i 96766

RE: Fully Executed Memorandum of Understanding #2131 between the
Office of Hawaiian Affairs and the County of Kaua'i

Aloha Joy,

Per your office's request, enclosed are copies of a cover letter and fully executed Memorandum of Understanding between the County of Kaua'i and the Office of Hawaiian Affairs (OHA) regarding affordable housing on the island of Kaua'i.

In addition, a copy and original cover letter from OHA's Administrator has been mailed directly to Mayor Baptiste's office.

Mahalo for all your staff's assistances for this important collaboration. Please feel free to contact me at 594-1944 for assistance, if any.

'O wau iho nō,

Stephanie Kon
Housing Specialist

enclosures



STATE OF HAWAII
OFFICE OF HAWAIIAN AFFAIRS
711 KAPI'OLANI BOULEVARD, SUITE 500
HONOLULU, HAWAII 96813

RECEIVED

'07 NOV 29 P4:48

OFFICE OF
THE COUNTY ATTORNEY
COUNTY OF KAUAI

November 13, 2007

Mayor Bryan J. Baptiste
County of Kaua'i
4444 Rice Street, Suite 235
Lihu'e, Kaua'i, Hawaii 96766

Re: Fully Executed Memorandum of Understanding #2131

Dear Mayor Baptiste:

Enclosed is a copy of the fully executed Memorandum of Understanding (MOU) #2131 between the Office of Hawaiian Affairs and the County of Kaua'i regarding the use of ceded lands on the island of Kaua'i for affordable housing purposes.

We believe this MOU incorporates the commitments in your letter dated May 9, 2006 and the intent of our Board of Trustees' action on October 5, 2006 to execute said Memorandum of Understanding. This document reflects positively of our partnership to support affordable housing on Kaua'i.

Leatrice M. Kauahi, Lead Advocate-Housing, remains OHA's liaison for this project. Please feel free to contact Ms. Kauahi at (808) 594-1944 or by email at leatricek@oha.org for any assistance needs you may have concerning this matter. Mahalo and holomua kākou!

'O wau iho nō,

A handwritten signature in dark ink, appearing to read "Clyde W. Nāmu'o".

Clyde W. Nāmu'o
Administrator

CWN:sk

c: Mr. Matthew S.K. Pyun, Jr., County Attorney
Trustee Donald Cataluna, OHA Trustee, Kaua'i & Ni'ihau
Ms. Mona Bernardino, Deputy Administrator
Mr. Ernest M. Kimoto, Esq., Senior Staff Attorney
Mr. John P. Alamodin, Director of Health, Human Services & Housing
Ms. Leatrice M. Kauahi, Lead Advocate-Housing

OFFICE OF HAWAIIAN AFFAIRS

CONTRACT NUMBER 2131

CONTRACT BETWEEN

OFFICE OF HAWAIIAN AFFAIRS

AND

COUNTY OF KAUA'I

**MEMORANDUM OF UNDERSTANDING
BETWEEN
THE COUNTY OF KAUA'I AND THE OFFICE OF HAWAIIAN AFFAIRS**

This Memorandum of Understanding (hereinafter "MOU") is entered into this 13th day of November, 2007, by the County of Kaua'i (hereinafter "the County") acting by and through its Mayor, Bryan J. Baptiste, and the Office of Hawaiian Affairs (hereinafter "OHA"), acting by and through its Administrator, Clyde W. Nāmu'o, and its Deputy Administrator, Mona Bernardino.

I. Purpose

The purpose of this MOU is to memorialize an understanding between the parties pertaining to the use of certain Ceded Lands¹ on the Island of Kaua'i, for County sponsored affordable housing programs.

II. Facts

A. The County anticipates receiving from the State of Hawai'i by way of executive order, the control and management of several parcels of land owned by the State, for development of much needed affordable housing.

B. These land parcels have been identified by the Department of Land and Natural Resources of the State of Hawai'i as being covered by the trust imposed by Section 5(b) of the Admission Act, and hence are Ceded Lands. These parcels are described as follows:

Parcel 1: Tax map key no. (4) 1-2-002-032, comprised of approximately 33.143 acres of land along Kaumuali'i Highway in Kekaha, Kaua'i.

Parcel 2: Tax map key no. (4) 4-6-14:30, (approximately 12.831 acres), (4) 4-6-14:112 (approximately 13.6 acres) in the Kawaihau District of Kaua'i.

⁰³ Parcel 3: Tax map key nos. (4) 4-3-⁰³~~07~~:7 (approximately 17.742 acres), (4) 4-4-3-⁰³~~07~~:8 (approximately 8.202 acres), and (4) 4-3-⁰³~~07~~:11 (approximately 1.59 acres), collectively the "Ka'apuni Road Locations" in the Kawaihau District of Kaua'i.

Parcel 4: Tax map key no. (4) 4-6-14:112, comprised of approximately 13.576 acres in the Kawaihau District of Kaua'i. (*duplicated, see Parcel 2 above*)

Two parcels originally identified in Anahola and Waimea will not be utilized by the County.

¹ Ceded Lands are the approximately 1.8 million acres of land that belonged to the Hawaiian monarchy prior to January 17, 1893 which were given (ceded) to the U.S. government when Hawai'i was annexed in 1898.

III. Points of Mutual Understanding

A. There is an affordable housing shortage on Kaua'i which disproportionately impacts the Hawaiian² population.

B. Among OHA's constitutional and statutory mandates is the duty to manage the income and proceeds from that portion of Ceded Lands which were granted to the State of Hawai'i by Section 5(b) of the Admission Act, and to advise and inform County officials about programs that affect Hawaiians.

C. The County wishes to address the affordable housing problem on Kaua'i using Ceded Lands while recognizing OHA's duty to discharge its obligations as they relate to Ceded Lands for the betterment of conditions of Hawaiians.

D. Either party may, when its interests so require, terminate this MOU upon written notice.

IV. Disposition of Parcels

In recognition of the foregoing, the parties agree that the County will subdivide each of the above described parcels in two phases. The County shall include the calculations for affordability within the declarations, covenants, conditions, and restrictions of the conveyance documents.

A. Phase I:

The first phase will consist of development of approximately 80% of the total density to be built on the four (4) parcels. All of the residential units in Phase I will be leased or rented to persons qualified under established County affordable housing criteria. The County will document the ancestry of qualified persons in a manner that is acceptable to both the County and OHA. The County of Kaua'i's affordable housing criteria is 140% and below of the Kaua'i Median Household Income, as established for Kaua'i County by the U.S. Department of Housing and Urban Development.

B. Phase II:

1. If at least 20% of the units in Phase I are leased or rented to persons of Hawaiian ancestry, the County may proceed to develop Phase II.

2. If less than 20% of the units in Phase I are leased or rented to persons of Hawaiian ancestry, the County will not develop Phase II. Phase II affordable units will be made available to persons of Hawaiian ancestry through development by OHA, the State's Department of Hawaiian Home Lands, or other entity designated by OHA. Any further development shall be done only with the mutual agreement of the County and the

² "Hawaiian" means any descendent of the aboriginal peoples inhabiting the Hawaiian Islands which exercised sovereignty and subsisted in the Hawaiian Islands in 1778, and which peoples have continued to reside in Hawai'i. Hawai'i Revised Statutes §10-2 Definitions

Office of Hawaiian Affairs.

3. The County will not alienate the above described parcels.

4. The County will pursue the opportunity to include the calculations for affordability within the declarations, covenants, conditions, and restrictions of the conveyance documents.

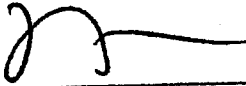
5. The County will make every effort to ensure that twenty per cent (20%) of the residential units remain affordable to Native Hawaiians.

V. Outreach Program

The County, in conjunction with community groups and Hawaiian organizations, will conduct an effective outreach program for the purpose of informing and educating qualified Hawaiian persons about the affordable housing units and how to apply for them.

APPROVED AS TO FORM:

COUNTY OF KAUAI



MATTHEW S. K. PYUN, JR.
County Attorney

By 


BRYAN J. BAPTISTE
Mayor

APPROVED AS TO FORM:

OFFICE OF HAWAIIAN AFFAIRS




ERNEST M. KIMOTO
Senior Staff Attorney


By 

CLYDE W. NAMU'O
Administrator

APPROVED AS TO CONTENT:



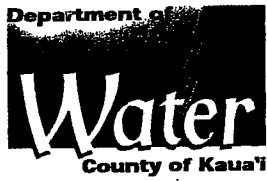
JOHN P. ALAMODIN
Director of Health
Human Services & Housing

By 

MONA BERNARDINO
Deputy Administrator

EXHIBIT "B"

**LETTER FROM DEPARTMENT OF WATER
DATED SEPTEMBER 12, 2006**



September 12, 2006

Mr. Bernard Carvalho Jr.
County Affordable Housing Taskforce
4444 Rice Street
Lihue, HI 96766

Dear Mr. Carvalho:

Subject: Water Meter Service Inquiry: Kekaha State EO Parcel, Mahelona, Kaapuni, Hundley State EO Parcels, Kauai, Hawaii

This letter is to inform you of the result of the Board of Water Supply "Board" review of County Affordable Housing Projects, based on the Mayor's testimony at the Special Board Meeting on August 1, 2006. The proposed projects are located on State land in Kekaha and Kapaa Homesteads.

The Board approved to contract with a consultant to design, construct and complete the necessary water system facilities to provide the subject County affordable housing state parcel projects with adequate source and storage water system improvements by December 2008.

The Department of Water (DOW) will contract with a selected group to provide the necessary source and storage water system facilities for the applicable Affordable housing projects that are located in Kekaha and Kapaa Homesteads Kauai. The following are the affected parcels and the respective water system improvements that will be provided.

Kekaha State EO Parcel:

The DOW will contract to provide the necessary source and storage facilities. These include: Kekaha Shaft 11 Renovation and Kapilimao 0.5 MG tank.

Mahelona, Kaapuni, Hundley State EO parcels:

The DOW will contract to provide the necessary source and storage facilities. These include: Akulikuli Tunnel renovation, Kapaa Homesteads Well No. 4 and Kapaa Homesteads 0.5 MG tank.

If you have any questions, please contact me at (808)245-5408.

Sincerely,

Wynne M. Ushigome
Wynne M. Ushigome
Acting Manager & Chief Engineer

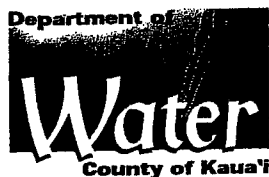
KA:ml
Affordable housing- Kapaa-Kekaha 8-23-06

EXHIBIT B

c: DOW Engineering Division

EXHIBIT "C"

**LETTER FROM DEPARTMENT OF WATER
DATED MAY 2, 2008**



Water has no substitute.....Conserve it

May 2, 2008

Mr. Kenneth N. Rainforth
Director of Housing
Office of Community Assistance
County of Kaua
Lihue, HI 96766

3 MAY -2 P 3:56

KAUAI
GOV

Dear Mr. Rainforth:

Subject: Affordable Housing Projects Status Report (Item CA/IGR 2008/7)

County Affordable Housing EO State Parcel Sites:

In August 1, 2006, the Board of Water Supply approved to contract with a consultant to design, construct and complete the necessary system source and storage facilities to support the County Affordable Housing State Parcel developments identified in the Kekaha, Mahelona, Kaapuni and Hundley Heights State EO Parcels by December 2008.

Please find attached a copy of the May 2, 2008 Board Report that was prepared by the Department's consultant entitled "Affordable Housing Projects – Summary Status May '08".

The memorandum is a summary of the progress regarding six on-going Water Department source and storage projects that will service the County's Affordable State Parcel Housing projects.

The summary update for the water system improvement projects are listed as follows:

Project Name	Water System	Project Status	Tentative Date in Service
(KW-25)Kapilimao 0.5MG Storage Tank	Kekaha-Waimea	Final Design	December 2009
(KW-28)Amfac Shaft 11 Renovation	Kekaha-Waimea	Preliminary Engineering	December 2009
(WK-08)1.0MG Storage Tank, 313'	Kapa'a Homesteads	Preliminary Design	August 2009
(WK-09)Kapa'a Homesteads 0.5MG Storage Tank	Kapa'a Homesteads	Construction	July 2009
(WK39)Kapa'a Homesteads Well No. 4	Kapa'a Homesteads	Preliminary Design	December 2009
(WK-02) Akulikuli Tunnel Renovation	Kapa'a Homesteads	Preliminary Design	December 2009

EXHIBIT C

Mr. Kenneth N. Rainforth
Subject: Affordable Housing Projects Status Report
(Item CA/IGR 2008/7)
May 2, 2008
Page 2

The Department is working on all these projects; however, all of the source and storage projects will not be completed by December 2008.

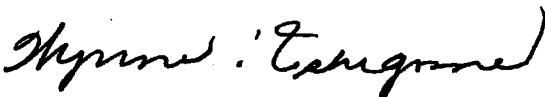
County Affordable Housing Properties: Paanau Village Phase II, Poipu Co-op Housing Site and Old Kapa'a Baseyard Site:

The Paanau Village Phase II and Poipu Co-op Housing (former school site) are located within the Kukuiula Development Company's (KDC) 1,500-unit master-planned area in Kukuiula, Kaua'i. According to the approved Kukuiula Water Master Plan (dated June 2004), the Paanau Village Phase II is described as a 60-acre affordable housing development type that is planned for KCD's Phase I development stage. Based on clarification from the Housing Agency, the "Poipu Co-op Housing site" is described in the Water Master Plan as a school development parcel that is approximately 5.5 acres in size. This site is being planned for KCD's final development phase (Phase IV). According to the approved Kukuiula Water Master Plan, both developments will be supplied by the proposed water system improvements that are described in the approved Water Master Plan. These water system improvements include necessary source, storage and transmission water improvements for the master planned development.

The Old Kapa'a Baseyard Site is located at the end of Ohia Street in Kapa'a Town. There is one well source and one storage tank improvement project that is underway in Kapa'a Town. The State is currently constructing a new well source in Kapa'a Town. Completion of the new well source is estimated at October 2008. The Department is also designing a new 1.0MG storage tank for Kapa'a Town. Completion of the new storage tank is estimated in October 2009. The completion of both system improvements will provide service to the Ohia Street project. The existing undersized and old 3-inch waterline along Ohia Street is not adequate to handle the domestic and fire protection demands for the proposed project. A new ductile iron mainline extension, 8-inches in diameter, approximately 300 feet in length, must be constructed from the Ulu Street and Ohia Street intersection west along Ohia Street to the project site.

If you have further question, please contact me at 245-5408.

Sincerely,



Wynne M. Ushigome
Acting Manager and Chief Engineer

GF:emi
Attachment

c: Mayor Brian Baptiste, w/enc.
Kaua'i County Council, w/enc.

MEMORANDUM



To: Kaua'i DOW Board of Directors
From: Mark Salmon
Subject: **Affordable Housing Projects - Summary Status May '08**
Date: May 2, 2008

This memorandum is a summary of progress on the Affordable Housing Projects for your reference. Please see the attached progress report for each project.

Details are provided below.

- ✓ The Kapilimao 0.5 MG Storage Tank final design is complete with the exception of permits. Applications for missing permits were submitted in early February. Applications that were resubmitted in March were re-resubmitted in April. Public hearing scheduled for May 27. Barring further glitches, project can be advertised for construction in June.
- ✓ AMFAC Shaft 11 Renovation Phase 1B field pump testing is complete and a draft report is in preparation, due May 11. A change order for removing abandoned power poles and conductors is under preparation.

The early start of Phase 2 of AMFAC Shaft 11 Renovation is still not underway due to delays in the consultant procurement process. Depending upon the consultant selected, contract negotiations may further delay the start.

- ✓ Easement negotiations with adjacent landowner (Yamamoto) are current focus. An alternative responding to Mr. Yamamoto's concerns was prepared in April and will be presented to Mr. Yamamoto shortly. This alternative will be considered DOW's final effort to reach agreement with Mr. Yamamoto. If agreement is not reached by the end of May, project will be designed to fit on current DOW property.
- ✓ Final design for the Kapa'a Homesteads 0.5 MG Storage Tank is complete. Construction advertisement delayed due to recent additional work on generator shelter requested by staff.
- ✓ Initial well siting report was submitted in April. Staff is currently reviewing report.
- ✓ SSFM continues final design of the Akulikuli Tunnel renovation. Staff has requested investigation into alternative project configurations. This investigation is almost complete, but progress on EA and final design delayed in the meantime.

Please see attached status reports for further details.

(KW-25) Kapilimao 0.5 MG Storage Tank - Summary Project Status May '08

Project Manager: Keith Fujimoto

Design Consultant: Brown and Caldwell

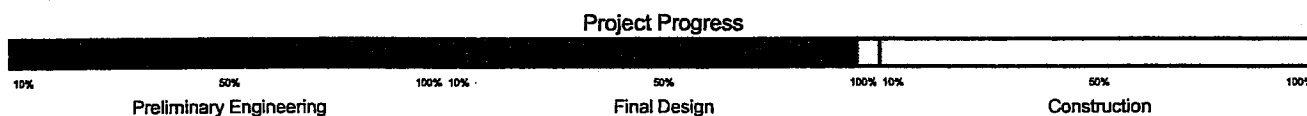
Work Underway – permitting

Work Ahead – permitting, construction

Current Major Area of Focus – permitting

Potential Obstacles - none currently

Tentative Date Project In Service – December 2009



Summary

All engineering work complete. County Use and Zoning permits applications submitted for the third time this period. Reportedly they have been processed this time and the public hearing is scheduled for May 27. Contract advertisement will follow.

Contract Status

Design contract executed.

Schedule

Schedule extended due to permit acquisition. Construction expected to start early 2009.

Permits

County use and zoning permits are primary outstanding permits. Public hearing scheduled for May 27.

Land and Easements


Draft easement maps complete.

Agency Coordination

See Permits.

Problems and Proposed Mitigation

Project delayed due to County permits. After submittal and two resubmittals, County has finally processed applications and scheduled a hearing.

 dashed line and color change in progress bar indicate progress extent from last month

(WK-08) Kapahi 1.0 MG Storage Tank - Summary Project Status May '08

Project Manager: Mark Salmon

Design Consultant: Belt-Collins

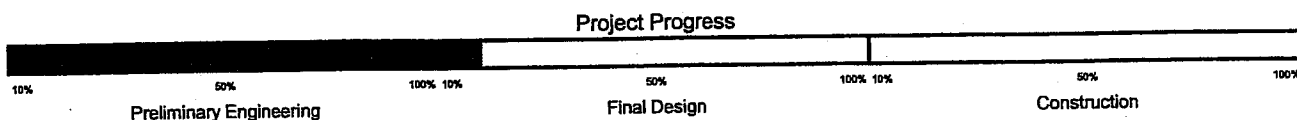
Work Underway – final design

Work Ahead – final design, environmental/permitting, construction

Current Major Area of Focus – Final design, easement acquisition

Potential obstacles - easement acquisition from private landowner

Tentative Date Project In Service – August 2009



Summary

Final design continues. New tank configuration alternative developed to respond to Mr. Yamamoto's easement acquisition concerns. The latest option will be presented to Mr. Yamamoto as DOW's final offer. An appraisal of the land costs for all alternatives are being prepared.

Contract Status

Final design contract executed.

Schedule

Updated schedule received March 7. Construction scheduled for completion August 2009.

Permits

No issues.

Land and Easements

Easement negotiations with Mr. Yamamoto continue. Alternative tank site configuration responding to Mr. Yamamoto's concerns is ready for presentation. At that time, Mr. Yamamoto will be asked to pledge in writing his commitment to sell an easement to DOW. If no such commitment is received by the end of May, the project will be configured to fit on land currently owned by DOW, and easement acquisition efforts will be discontinued.

Agency Coordination

No issues.

Problems and Proposed Mitigation

Project configuration and landowner issues not yet resolved. Path forward will be defined by end of May. See "Land and Easements" above.



dashed line and color change in progress bar indicate progress extent from last month

(WK-39) Kapa'a Homesteads Well No. 4 - Summary Project Status May '08

Project Manager: Mark Salmon

Design Consultant: HDR Engineering (Hawai'i Pacific Engineers)

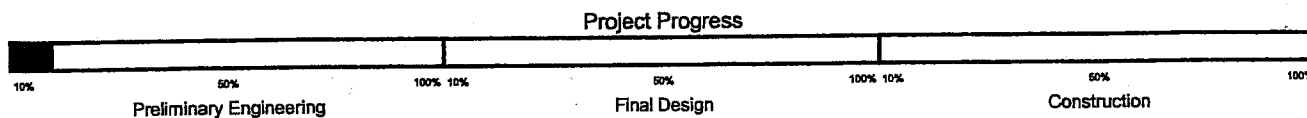
Work Underway – Initial Investigation and Well Site Selection

Work Ahead – well design, environmental/permitting, and construction

Current Major Area of Focus – well site selection

Potential obstacles - none currently

Tentative Date Project In Service – December 2009



Summary

Initial well siting study submitted and under review by staff.

Contract Status

Phase 1 contract executed.

Schedule Issues

None.

Permit Issues

None.

Land and Easements

None.

Agency Coordination Issues

None.

Problems and Proposed Mitigation

None.


 dashed line and color change in progress bar indicate progress extent from last month

EXHIBIT "D"

**COUNTY COUNCIL MEMORANDUM
DATED APRIL 10, 2008**

COUNTY COUNCIL
BILL "KAIPO" ASING, CHAIR
MEL RAPOZO, VICE CHAIR
TIM BYNUM
JAY FURFARO
SHAYLENE ISERI-CARVALHO
RONALD D. KOUCHI
JOANN A. YUKIMURA



4396 RICE STREET, ROOM 206
LIHU'E, KAUAI, HAWAII 96766-1371
E-mail: cokcouncil@kauai.gov

OFFICE OF THE COUNTY CLERK
Council Services Division
Elections Division
Records Division
PETER A. NAKAMURA, County Clerk
ERNESTO G. PASION, Deputy County Clerk
Telephone: (808) 241-6371
Facsimile: (808) 241-6349

MEMORANDUM

April 10, 2008

TO: Mayor Bryan J. Baptiste
FROM: *BKk* Bill "Kaipo" Asing, Council Chair

SUBJECT: APRIL 9, 2008 COUNCIL MEETING

This is to inform you of the action taken by the Council at its April 9, 2008 Council meeting and any follow-up that was requested:

C 2008-82 Communication (03/10/2008) from the Chief, Building Division, Department of Public Works, transmitting for Council information, the Building Permit Information Reports for the months of January and February 2008 that includes the following items:

1. Building Permit Processing Report
2. Building Permit Estimated Value of Plans Summary
3. Building Permits Tracking Report
4. Building Permits Status:

Received for the record.

~~C 2008-83~~ Communication (03/12/2008) from the Housing Director, Kaua'i County Housing Agency, informing the Council that the Housing Agency needs to contract with one or more consultants to perform predevelopment activities and project feasibility for a potential affordable housing site, and that a portion of the \$2 million line item in the Bond Fund for Affordable Housing will be used to complete the due diligence for the Project Feasibility & Pre-Development Expense:
~~Approved~~

C 2008-84 Communication (03/27/2008) from the Director of Parks and Recreation, requesting agenda time to provide a status update on the Ke Ala Hele Makalae project which encompasses Phase II-Kapa'a Lihi Boat Ramp to Keālia Kuna Bay: *Received for the record.*

EXHIBIT "E"

**COUNTY COUNCIL MINUTES
DATED APRIL 9, 2008**

Mr. Rapozo: Mr. Chair, I would recommend a caption break because it will take us a few minutes and then we can come back and go two (2) hours straight.

There being no objections, the Chair called a recess at 10:08 a.m. The meeting was called back to order at 10:27 a.m., and proceeded as follows:

C 2008-82 Communication (03/10/2008) from the Chief, Building Division, Department of Public Works, transmitting for Council information, the Building Permit Information Reports for the months of January and February 2008 that includes the following items:

1. Building Permit Processing Report
2. Building Permit Estimated Value of Plans Summary
3. Building Permits Tracking Report
4. Building Permits Status

Mr. Bynum moved to receive C 2008-82 for the record, seconded by Ms. Yukimura, and unanimously carried.

C 2008-83 Communication (03/12/2008) from the Housing Director, Kaua'i County Housing Agency, informing the Council that the Housing Agency needs to contract with one or more consultants to perform predevelopment activities and project feasibility for a potential affordable housing site, and that a portion of the \$2 million line item in the Bond Fund for Affordable Housing will be used to complete the due diligence for the Project Feasibility & Pre-Development Expense: Ms. Iseri-Carvalho moved to approve C 2008-83, seconded by Mr. Rapozo.

Chair Asing: Let's do this. Let's have Ken up here first. I'd like to suspend the rules and have the Housing Director up first. Thank you.

There being no objections, the rules were suspended.

KEN RAINFORTH, HOUSING DIRECTOR: Good morning, I am Ken Rainforth the Housing Director.

Chair Asing: Good morning Ken.

Mr. Rainforth: I had several phone calls regarding this item and I apologize that it is not as straight forward as it should have been. Let me give you a little bit of background of why I wrote the letter in the first place. I wrote this letter after I had been appointed Housing Director for less than two (2) weeks. In my discussions with Mayor Baptiste, I knew that we needed to have consultants to assist us in activities related to the acquisition of private lands and the acquisition of the State lands as well... that myself and my staff gain as much information as we could regarding potential properties to develop.

Mr. Furfaro: Ken, I just wanted to make sure that the letter you are referring to is the March 12 letter addressed to Councilwoman and myself or is there another letter.

Mr. Rainforth: That is correct.

Mr. Furfaro: Okay, thank you.

Mr. Rainforth: I talked to the Mayor about the need for having to hire consultants to proceed with any of the projects and asking if there was any money in the budget to perform such services. He didn't know, but then I know that the Mayor had been talking a great deal about the \$5 million that he had available for land acquisition, so we researched the budget and we found that there was \$3 million in the General Fund-CIP budget for affordable housing land acquisition and there was a \$2 million line item in the bond fund for affordable housing. These are the funds that Mayor Baptiste intended to use to acquire private land for affordable housing. So I said, isn't the other activities related to land acquisition included in this appropriation because you just... there is more to land acquisition than just paying a sales price. There is due diligence that has to occur before we should even consider acquiring a property. So he wasn't sure and he referred me to County Attorney and I talked to the County Attorney. He said that the appropriation that was already made in this year's budget was probably okay to utilize for consultants. I was also asked to speak to the Finance Director and I consulted with him and he agreed with the County Attorney, but we also agreed with me that to be safe, we should ask the County Council that this is... that the use of the funds that I wanted to use was in accordance with the appropriation that you made. So this letter that you have before you is really an attempt to get clarity whether or not you agree that the funds that you have already appropriated for affordable housing may be used for acquisition activities other than just to paying a sales price. I need to know whether or not you agree with my assumption that the funds are appropriated and, if not, then I need to work with the Finance Director to create a money bill, so that I can have such funds.

Mr. Furfaro: But you are talking about a portion of that money for the due diligence.

Mr. Rainforth: Yes.

Mr. Furfaro: I just want to make sure that we are all clear.

Mr. Rainforth: Yes.

Mr. Furfaro: We are talking about what would be a portion of that money for the appropriate studies and due diligence.

Mr. Rainforth: That is correct.

EXHIBIT "F"

NOTICE FOR PROFESSIONAL SERVICES

**NOTICE FOR PROFESSIONAL SERVICES
(RESUME #1-PROF-08/09)**

Pursuant to the provisions of HRS 103D, the County of Kauai hereby provides public notice to invite persons engaged in the professional services listed below to submit current statements of qualifications and expressions of interest for the fiscal year 2008 - 2009:

A. COUNTY ATTORNEY:

1. **SPECIAL LEGAL SERVICES.** The County Attorney anticipates the need for attorneys licensed in Hawaii to provide services for representation, advice, and counsel in civil and criminal matters in the following areas of law:

Administrative Law	Land Use
Construction Law	Municipal Law Generally
Real Estate Development	Condominium Property Regime
Contract Law	Public Financing
Eminent Domain	Torts
Insurance Law	Worker's Compensation

In addition to the specific resume information called for at the end of this Notice, interested parties shall include the following information in their submittal:

- a. The area(s) of practice in which the attorney or firm is interested in providing services, together with a summary of the number and types of cases/matters handled by each attorney in each category;
 - b. If applicable, the name of the law firm that the attorney is affiliated with, the number of years the attorney has been with that firm, whether the attorney is a partner of the firm, and what, if any, specialty areas of practice the firm has;
 - c. A brief description of staff and facilities available to the attorney or firm, including other attorneys, secretarial and paralegal support, and whether the firm has the ability to provide electronic case files during and following the conclusion of the case;
 - d. The manner of billing, including the range of hourly rates charged by the attorney or firm, together with a summary of the types and amounts of costs charged by the firm, whether any alternatives to hourly billing are available (such as fixed fee per case or project) and a description of the costs or methods of calculating charges under the alternative billing arrangements.
2. **TRAINING.** The County Attorney anticipates the need to select qualified persons to provide training services in the areas of law listed above and in general law office matters, such as case management and drafting.

In addition to the specific resume information called for at the end of this Notice, interested parties shall include the following information in their submittal:

providing the service or the fee schedule.

Direct questions to County Attorney Matthew S. K. Pyun, Jr. at (808) 241-6315.

C. **FINANCE - ACCOUNTING:**

1. **Central Services Cost Allocation Plan/Fringe Cost Rate.** The County is seeking the services of an accounting firm for preparation of a central services cost allocation plan and fringe benefit rate for the fiscal year ending June 30, 2009. The central service cost allocation plan and composite fringe benefit rate shall be in accordance with OMB Circular A-87 Cost Principles. The plan must identify, accumulate and allocate eligible cost for the use in the fiscal year ending June 30, 2009 fringe charges and central services cost allocation to funds and grants.

Estimated cost: \$8,000.00

Estimated Project or Contract Time: 90 – 120 days

Contact person: Ann Wooton, (808) 241-4213

D. **OFFICE OF ECONOMIC DEVELOPMENT:**

1. **Engineering/Surveying Services.** Agency seeks an engineering firm to develop plans for the construction of a 75-acre agricultural park on a vacant lot in Kilauea, Kaua'i (TMK 5-2-4-99) which is owned by the County of Kaua'i. Interested firms should be able to supply all necessary engineering and survey work required.

Amount of budgeted funds or estimated cost: \$100,000.00

Estimated Project or Contract Time: November 2008 – March 2009.

Contact person: Beth Tokioka, Director; (808) 241-6390

E. **HOUSING AGENCY:**

1. **SITE FEASIBILITY – ELEELE PARCEL.** The Kauai County Housing Agency (KCHA) is seeking services of a consultant (Community Planner; Engineering firm; etc), licensed to do business in Hawaii, with experience in performing extensive site feasibility analysis for land development, concept planning, and financial cost analysis for affordable housing on a parcel of land in Eleele, Kauai. Services provided by consultant shall require taking an aggressive approach for completing services within a 6 to 8 month time frame. The primary purpose of the feasibility analysis is to furnish KCHA with sufficient information to assess site feasibility for housing development and to establish parameters for housing development for the subject parcel to assist in preparation of a Request for Proposals used to solicit a qualified development entity.

Estimated Cost: \$100,000 -150,000

Estimated Contract Time: 6 to 8 months

Contact Person: Gary Mackler, (808) 241-4429; or Barbara Pendragon, (808) 241-4432.

Reference Materials: Scope of Services for Site Feasibility and Concept Plan, and Site Maps are available, upon request.

2. **SITE FEASIBILITY - STATE OWNED PARCELS IN KAPAA AND KEKAHA.** The Kauai County Housing Agency (KCHA) is seeking services of a consultant (Community Planner; Engineering firm; etc), licensed to do business in Hawaii, with experience in performing site feasibility analysis on five (5) State owned parcels for affordable housing development potential. The primary purpose of the feasibility analysis is to furnish KCHA with sufficient information to assess site feasibility and to assist in prioritizing sites for housing development.

Estimated Cost: \$100,000

Estimated Contract Time: 6 to 8 months

Contact Person: Gary Mackler, (808) 241-4429; or Barbara Pendragon, (808) 241-4432.

Reference Materials: Scope of Services for Site Feasibility and Site Maps are available, upon request.

F. DEPARTMENT OF PARKS AND RECREATION:

1. **PARK MASTER PLAN UPDATE.** Professional Consultant Services (Community Planning G.S. 0020) to update existing Park Master Plan in accordance and consistent with the County General Plan Update and ongoing Community Development Plan.
Estimated Cost: \$400,000.00
Estimated Project Time: 420 calendar days
2. **LIGHT RETRO-FIT DESIGN.** Electrical Engineering Design Services for the Retro-Fitting of various park facilities lighting system. (Vidinha Stadium Football, Hanapēpē Stadium Football Field, Isenberg Sotball Field, Peter Rayno Park Softball Field and Līhu'e Tennis Courts)
Estimated Cost: \$250,000.00
Estimated Project Time: 365 calendar days
3. **KAPA'A SOCCER FIELD.** Civil/Structural Engineering and Planning services for developing construction plans, specifications and bid documents. May also include Class IV zoning permit processing.
Estimated Cost: \$220,000.00
Estimated Project Time: 360 calendar days
4. **ADA IMPROVEMENTS PARK FACILITIES.** Architectural/Engineering Design Services for the ADA accessible routes and facilities retrofit at Islandwide park facilities.
Estimated Cost: \$50,000.00
Estimated Project Time: 180 calendar days

8. Any other pertinent data that should or may be considered in the evaluation of the firm's qualifications.

Resumes may be amended at any time by filing a new statement. Any change in resumes that will be cause for disqualifying the firm from consideration for award shall be immediately reported to the Director of Finance.

Awards shall be electronically posted on the County of Kauai website within seven (7) days of the contract award: <http://kauai.gov> ;follow: Departments/Agencies; Finance; Purchasing Division; Procurement Disclosures.

Deadline for submissions is 4:00 PM (Hawaii Standard Time), Monday, June 23, 2008. **Late submissions will be returned.** Risk of late delivery shall lie with the sender.

Wallace Rezentes, Jr.
Director of Finance
County of Kauai

08-09 (1)

Advt SB and GI 5/30 & 6/2/08 and <http://www.spo.hawaii.gov>

EXHIBIT "G"

**NOTICE FOR PROFESSIONAL SERVICES
(REFERENCE MATERIALS)**

**NOTICE FOR PROFESSIONAL SERVICES
(RESUME #1-PROF-08/09)**

**SITE FEASIBILITY
(STATE OWNED PARCELS IN KAPAA AND KEKAHA)**

SCOPE OF SERVICES

The Kauai County Housing Agency (KCHA) is seeking services of a consultant (Community Planner; Engineering firm; etc), licensed to do business in Hawaii, with experience in performing site feasibility analysis on five (5) State owned parcels for affordable housing development potential. The primary purpose of the feasibility analysis is to furnish KCHA with sufficient information to assess site feasibility and to assist in prioritizing sites for housing development.

The Consultant shall provide a methodical, professional evaluation and shall, at a minimum, conduct site feasibility for the following concerns:

A. SITE FEASIBILITY ANALYSIS

1. Topography: Conduct topographic survey and slope analysis. Prepare topographic map displaying changes in elevation and on-site geographic surface features. Prepare boundary survey.
2. Drainage: Analyze natural drainage features to make a preliminary determination on how surface water flow and storm water run-off can be effectively engineered and appropriately handled. Prepare drainage map and estimate of potential site drainage improvement costs.
3. Soils Survey: Examine whether the soil characteristics on the site are an acceptable type to support residential housing development. Identify the presence of rock or other features that could require costly mitigation.
4. Off-Site Infrastructure: Evaluate the availability of public water and sewer services and their proximity to the project site. Analyze system capacity for off-site water and sewer infrastructure. Identify potential infrastructure constraints to housing development for the project site.
5. Site Access: Determine most advantageous public roadway access options and location(s) for ingress and egress to the site. Estimate public roadway improvement costs that may be required for safe site access.

B. DEVELOPMENT ASSESSMENT REPORT

1. Suitability for Housing Development: Conduct site reconnaissance to make a preliminary assessment of developable land suitable for the placement of housing units, taking into consideration all potential setbacks, allowances for roadways and utilities, steep grades, floodplains, environmental protection, and open-space requirements.
2. Housing Unit Density: Based on the preliminary assessment of developable land, provide estimated density potential for single family and multi-family type housing units.
3. Infrastructure Costs: Include preliminary cost estimate of off-site infrastructure (water; sewer; roads, utilities), on-site infrastructure (mass grading; drainage; roads; utilities), and public roadway improvement costs. Prepare infrastructure cost estimates for each site as an average cost per acre, and as an average cost per housing unit, based on potential housing density assumptions.
4. Priority of Sites: Establish criteria system for evaluation and ranking of each state land parcel to prioritize sites as having "most development potential" to "least development potential", and describe more fully in narrative form the basis for development assessment resulting from the evaluation.

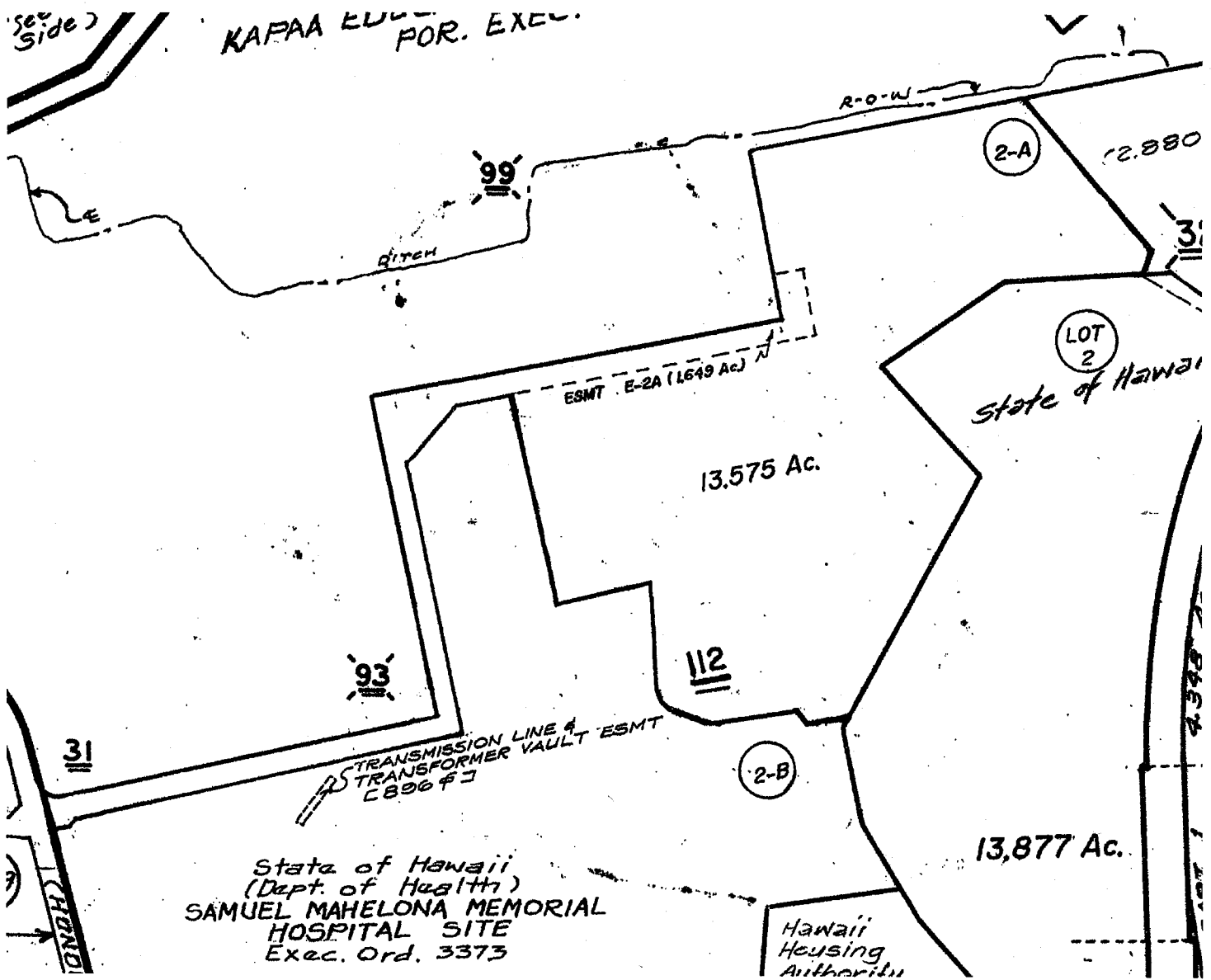
C. TIMEFRAME

KCHA hopes to retain services of a Consultant capable of carrying out services immediately upon issuance of a notice to proceed order, and who can complete all of the above-described site feasibility within an eight (8) month period.

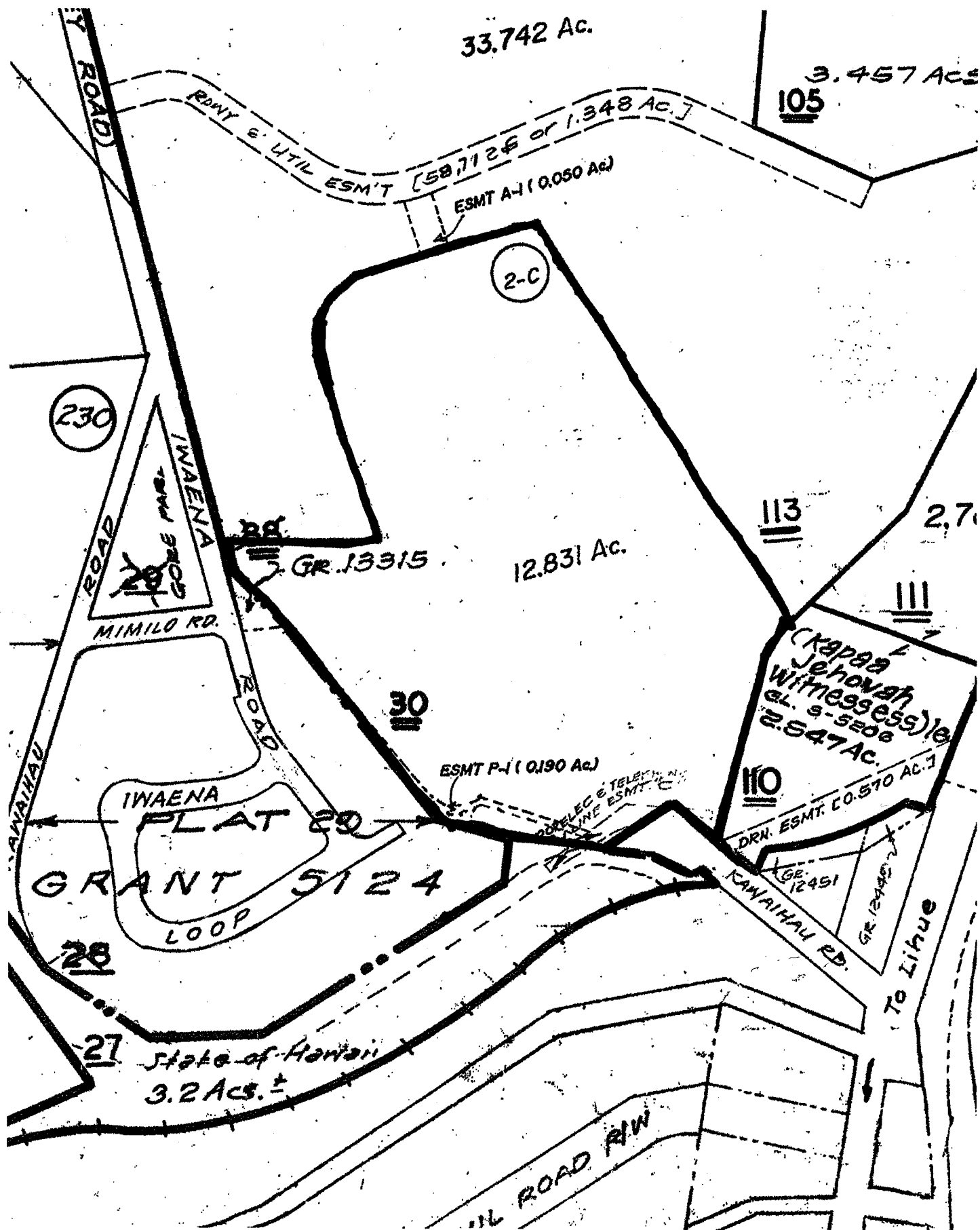
D. SITE MAPS (see attached)

1. Parcels:
 - (4) 4-6-014:112 (Mahelona – 13.575 acres)
 - (4) 4-6-014:030 (Hundley Heights – 12.831 acres)
 - (4) 4-3-003:008 (Ka'apuni Ridge – 8.202 acres)
 - (4) 4-3-003:007 (Ka'apuni – 17.742 acres)
 - (4) 1-2-002:032 (Kekaha – 33.143 acres)

KAPAA HOMESTEADS
MAHELONA
TMK 4-6-014: 112



KAPAA HOMESTEADS
HUNDLEY HEIGHTS
TMK 4-6-014: 030



[illegible]

SCALE: 1 in. = 300 ft.

KEKAHA TMK 1-2-002: 032

Kaha Sugar
34 Ac. Co; Ltd.

ands

